

REPORT TO BILLARD

(Mellen) took hold of the Boston and Maine.

The New Haven carried the Adams Express Company's goods and Mr. Mellen's stock. The Adams Express Company, which had acquired the Boston and Maine, also Mr. Mellen wanted to avoid the responsibility of extending this Adams Express contract. Mr. Mellen admitted that the extension meant a loss of between \$700,000 and \$1,000,000 a year for the railroad as compared with the charges of the New Haven, or between \$7,000,000 and \$8,000,000 for the ten years additional time.

Mr. Mellen maintained that he was not a party to this matter. He said his impression was that the express company thought it could do better with the old management of the Boston and Maine than with him.

He said that Mr. Ledyard had told him that if the express company was going to transfer their stock they ought to have better terms. Mr. Mellen declared that he personally would not have made a 35 per cent. contract. It was finally settled between him and Ledyard that he (Mellen) should come on the staff after the thing had become a completed fact.

Q. Why did you arrange it in that way? A. I did not arrange it. I might have suggested it, but I did not arrange it.

Mr. Mellen also said that the contract was given as an inducement to the American company to sell its stock.

Pronounced Exchange Legal.

Mr. Mellen said that the question of the legality of the exchange of New Haven stock for Boston and Maine with the accompanying company was looked into by Everett D. Robbins, Mr. Ledyard and Richard Olney and they had pronounced it legal.

Mr. Folk then read to him a letter addressed to Mr. Mellen and signed by H. M. Whitney of Boston. This is the letter, dated May 21, 1907:

"I hope you will think it consistent at an early date to take up the Boston and Maine matter. I think the programme meets approval among our business men as a whole, but there is still a large public to be reconciled with, and a few words now outlining in general your policy in case the New Haven road should come into control would go far to allay excitement and hostile criticism and might save you considerable annoyance later on."

"I have also thought it possible that the little father in Washington might like to get his finger into the matter, which case if it should happen before the public had been reconciled to the change, it might result in infinite hurt to all your interests."

"If you should think it proper to say anything, and this could be approved by the president of the Boston and Maine, I am sure it would do good."

Mr. Mellen said that the "little father" referred to was President Roosevelt, who had often consulted. He said that he had a conference with the president in the spring of 1907, when he was considering the purchase of the Boston and Maine shares.

He said that he admired Mr. Roosevelt very much and that he thought the matter was one likely to be of public interest and in those days, with the relationship that he had with President Roosevelt, he did not want to do anything that would be detrimental to his wishes.

"Therefore," said Mr. Mellen, "I thought it the part of decency and good breeding to talk it over with him. I visited him and explained the situation to him. He told me that he was not a lawyer; that he did not know whether the law would permit anything of that kind and he could not assure me that it was not a violation of the law; that I would be 'created' just the same as any one else. He said the reasons I gave him were desirable to buy the shares appeared to him, and in his position he said he would be glad to take the shares."

"What were the reasons?" Mr. Folk asked.

"That the shares were to be sold to lines outside of the country, probably the Canadian Pacific line, and that the Boston and Maine was to be sold to the Interstate Commerce Commission," added Mellen. "And he got the statement from me that he could not help me in any way, shape or manner if anything I did was in violation of law, but that from my standpoint it seemed to him that he was in my position he would be inclined to make the purchase."

"What did you do after that interview?" "Thought," said Mr. Mellen briefly.

Kept Conference Secret.

Mr. Mellen said that he did not report the result of his conference with the president to any one.

"I never made a confident of any one in connection with anything the president of the United States told me," he said. "My directors never tried to force me to report the result of the conversation I had with the president. I think I am entitled to the highest degree of public duty in what he said to me."

"Did you see Mr. Morgan before you went to Washington?"

Mr. Mellen said that he saw Mr. Morgan frequently, but he presumed that then he was in Europe. Mr. Mellen mentioned that Mr. Morgan had sent him to see the president in regard to other matters.

Mr. Folk then read a letter signed by Mr. Mellen addressed to Mr. Whitney, this being dated May 22, 1907. It was as follows:

"Your favor of the 21st instant is at hand. It has been thought advisable by all concerned that just as much confidential information should get into the newspapers regarding the Boston and Maine matter as is absolutely necessary. This was agreed to by Mr. Ledyard, Mr. Tuttle and myself and we are acting on this theory at the present time."

"The Washington situation I have, I think, completely cared for. One never knows for certain what is going on in matters there, but the ground has been carefully ploughed and every chance for trouble considered and, I think, successfully eliminated. I am in Boston on Friday and shall be glad to discuss this matter with you further if you have time."

Harriman Tried to Buy Stock.

Mr. Mellen said that after the New Haven had acquired the 100,948 shares of stock, E. H. Harriman made several attempts to buy the stock.

"I never discussed anything with him under \$200 a share," said Mr. Mellen. "I was a number of letters I note that you say that you were trying to save New England from Harriman," said Mr. Folk. "What did you mean by that?" "Harriman was a bogey, and I was using him," replied Mr. Mellen.

"I wanted the Boston and Maine stock and I was using him as a bogey, as he would use me. However, we did not fight each other very hard. Mr. Harriman wanted the Boston and Maine stock. There is no doubt about that. If it had not been sold to Billard the sale would have been made to Mr. Harriman."

"You used Mr. Harriman's name as an accelerator, then, did you?"

"I like that word," said Mr. Mellen and he laughed. "I think I will adopt it. I was honestly anxious to keep Mr. Harriman as a possible purchaser of the Boston and Maine stock in case we were not allowed to keep it for the New Haven and I did so until the stock was taken and ceased to be a factor."

Q. You knew that under the laws of the State of Massachusetts the New Haven had no right to purchase that Boston and Maine stock? A. Mr. Olney, Mr. Ledyard and Mr. Robbins advised me that I had the legal right to buy it the way I did.

Mr. Mellen explained that the New England Navigation Company bought the stock, and that while the navigation company was a subsidiary of the New Haven

the transaction was said to be legal and the New Haven could hold the stock in this way.

Q. And you found afterward that you could not? A. I found that there was a situation caused by legislation enacted subsequently; that legislation expired the day we sold the stock to Mr. Billard. Solicitor Folk then took up the Billard Company which was organized by John L. Billard. Mr. Mellen said that he had nothing to do with the organization of the company.

Concerning Mr. Billard Mr. Folk asked: "Was he a good business man?" "If I am trading with him," said Mr. Mellen, "I don't look in any other direction except right in his eye. I don't turn my head."

"How about your hands?" asked Folk. "I keep them right where they are now," said Mellen, one of them being in his pocket.

Q. Did you turn 100,948 shares of stock over to a man of this character? A. I turned over the stock to the man the board of directors ordered me to.

Sold for \$125 a Share.

Mr. Mellen said that the stock was sold to Billard for \$125 a share, but that early in the negotiations Billard had offered only \$120 for it. He said that in consideration of the fact that Billard had agreed to help him finance the transaction, Billard had testified that he made \$2,708,000 in this transaction without using a cent of his own money.

"I don't intend that this sale to Billard was entirely bona fide and that Billard assumed all risk of a loss."

The witness said that on June 30, 1905, Billard made a contract with the Boston and Maine by which he agreed to sell back this identical stock at \$150 a share.

Mr. Folk then read to Mr. Mellen an extract of minutes of the meeting of the board of directors of the New Haven, which set forth that Mr. Billard should receive only "reasonable compensation" and actual expenses in connection with his contract for the sale of the 100,948 shares of Boston and Maine stock.

Q. What do you say to that? A. That is a true record.

Q. How do you reconcile "reasonable compensation" and actual expenses, and as stated in these minutes in connection with this contract and your statement that Billard bought the stock outright and with no strings attached to it? A. I sold the stock before that meeting.

They passed that minute to strengthen my hands in negotiating with Billard as to the amount he was going to receive. That was before the meeting.

Mr. Mellen seemed considerably confused at this point. Mr. Billard has declared that if Mr. Mellen was responsible for the particular minute he was guilty of a false entry as he, Billard, had bought the stock outright and had no strings tied to it.

"I claim that at a later date I fully reported to the board all of the transactions with Mr. Billard and my action was approved, ratified and affirmed," said Mr. Mellen.

Mr. Folk then exhibited another extract from the New Haven's minutes in connection with the contract for the sale and purchase of this stock. This extract was long and involved, but it showed, Mr. Folk contended, a nominal profit of \$1,649,000 by the New Haven on the deal.

Mr. Mellen said that the extract was incorrect, as this would indicate a loss of \$1,649,000 on the part of Billard.

Finally, Mr. Folk showed that the extract was from an attested copy of the minutes of the board of directors' meeting on October 8, 1905. Mr. Mellen exclaimed: "That report is false and can only be explained by saying it is a fake. I did not write the minutes."

"This minute shows a profit of \$1,649,000 to the New Haven, and it appears in reports that were made to be made by you," continued Mr. Folk.

"It was written by the secretary," said Mr. Mellen. "There is a tremendous error there."

"Assuming that the stock really belonged to the New Haven all the time, there was a book profit of \$1,649,000," insisted Folk.

Mr. Mellen would not admit this.

The record made by Mr. Mellen showed that \$2,000,000 worth of stock of the Billard Company appeared in the treasury of the New Haven in connection with the transaction.

"I don't know," replied Mr. Mellen. "I don't understand many things in that report."

"What is there so mysterious about this Billard Company?"

"I think the mysterious part of it is the mystery on the part of the public," replied Mr. Mellen.

He added a moment later: "The record of the board of directors wherein the figures show a profit of \$1,649,000 is absolutely incorrect, and I do not know how they got there. In November, 1911, the board of directors ratified all my acts and discharged me from responsibility."

Mr. Mellen admitted that at one time he had placed in the hands of Billard something like 15,000 shares of New Haven stock. Explaining this he said:

"It was sold to him in order to enable him to make a sale on the market. If he was unable to sell it we agreed to take it back."

Mr. Mellen after a series of questions in regard to the Billard Company finally said:

"I have been unable myself to distinguish between Mr. Billard and the Billard Company. The facts are that it is a very involved transaction."

At this juncture Commissioner McCord announced that the hour of adjournment had arrived and the argument would be resumed to-morrow morning.

MR. STETSON DECLINES.

Will Make No Statement on Mr. Mellen's Testimony.

"In my absence from the city," said Francis Lynde Stetson last night over the telephone from his country home in the Ramapo Hills, "I can make no detailed statement about Mr. Mellen's testimony in Washington to-day."

"I would have to go through a mass of papers and refresh my memory in various ways before I could say anything authoritative about the situation."

No explanation was forthcoming at the office of Percy Rockefeller, 26 Broadway, yesterday about the \$40,013 note which was mentioned by Charles S. Mellen in his testimony before the Interstate Commerce Commission as having been executed by Mr. Rockefeller and secured by stock of the Westchester company.

DIRECTOR DEFENDS MELLEN.

J. S. Elton Says ex-President Opposed the Deal.

WATERBURY, Conn., May 19.—In an interview this evening James S. Elton, a director of the New Haven road, said: "I don't know what I can say in relation to the testimony of Mr. Mellen in effect that Mr. Morgan insisted on spending \$11,000,000 of Westchester stock over the protest of Mr. Mellen and the other directors. I can state, however, that if Mr. Mellen did testify to this effect he maintained a consistency which he exhibited always when the purchase of any of these railroad properties was suggested."

"I knew Mr. Mellen always to be opposed to the purchase of several of those trolley lines which were absorbed by the New Haven road and to be specific in his opinion to the directors that such enterprises were paid for the trouble of their ownership it would be at a date after the death of most of them. This is all I care to say on the subject now."

WOMEN SEEKING KING TO FACE 1,500 POLICE

Heavy Guard Will Resist Militants' Advance on Buckingham Palace.

TO SEIZE MRS. PANKHURST

Suffragette Leader, Emerging From Hiding, Will Be Arrested Again.

Special Cable Dispatch to The Sun.

LONDON, May 19.—Fifteen hundred police have been ordered on special duty on Thursday to prevent the attempt of Mrs. Emmeline Pankhurst and other militant suffragettes to interview the King on the subject of woman suffrage and the alleged ill treatment of suffragette prisoners in Holloway and other jails.

There will be a cordon of police around Buckingham Palace and large detachments at other places near by. It is expected that Mrs. Pankhurst will be arrested as soon as she appears on the scene. Her latest license under the cat and mouse act expired long ago and she has not been returned to jail only because she has remained in hiding.

The Women's Social and Political Union announced the route of the procession to-day. It is due at Buckingham Palace at 4 P. M.

Sydney Drew, the publisher of the *Suffragette*, the official organ of the Women's Social and Political Union, was arraigned in Bow street police court to-day, charged with printing an article inciting the militant suffragettes to commit malicious damage to property.

An official of the Post Office Department testified that 237 letter boxes had been tampered with, 4,000 letters damaged and 114 pieces of mail destroyed by the suffragettes.

Drew was committed for trial at the Old Bailey.

Lady Bryce, wife of Viscount Bryce, formerly British Ambassador at Washington, in an address to the Women's Liberal Association to-day, said:

"I am quite certain that English women, although they have not the vote, have more influence on public questions than any other women in the world. The women of Australia and New Zealand, who have votes, are less interested and have less influence on such questions than English women."

Lady Bryce said she was struck on returning to England after six years absence by the increase of the interest in all quarters on all sorts of social questions. She had returned, she said, to a new England, but she also found that there is much less respect for law and order.

ARMS-LADEN VESSELS SEIZED.

British Government Takes Steamers Having Munitions for Uster.

Special Cable Dispatch to The Sun.

LONDON, May 19.—Herbert Holman, the prospective Liberal candidate for Parliament from Ashburton, in a speech to his constituents to-day, said the Government has seized the small steamers *Innis Murray* and *Helen Craig*, to which the mystery steamer *Fanny* had transferred part of her cargo of arms for the Uster Unionists.

It was found, Mr. Holman said, that the *Innis Murray* had been chartered by the Earl of Leitrim, who is the King's Lieutenant for the county and city of Londonderry. The Earl, Mr. Holman said, will have to pay the owner of the *Innis Murray* the value of the vessel, about \$49,000.

HUNGARIAN PREMIER IN DUEL.

Count Tisza and His Adversary, Rakovsky, Both Slightly Wounded.

BUDAPEST, May 19.—Count Tisza, president of the Hungarian ministry, and Stephen Rakovsky, member of the Chamber of Deputies, both were slightly wounded in a duel fought with rapiers here this afternoon. The premier was cut on the right arm, while the deputy received a superficial wound on the abdomen. The duel lasted for five bouts before it was stopped by the seconds. The duellists left the field without a reconciliation.

Count Tisza and the deputy argued in a committee room on May 14. As a result of the altercation the Count sent his seconds with a challenge to the deputy.

Count Tisza has been engaged in political duels at short intervals for several years. On January 2 of last year he fought a duel with cavalry sabres with Count Michael Karolyi, a member of the Opposition. Karolyi was badly wounded in the thirty-second bout and the bout was stopped. Count Tisza was unhurt. The combatants were not reconciled.

Six days later Count Tisza fought a sabre duel with Count Aladar Szecey, a friend of Count Karolyi. Count Tisza won an easy victory in the first bout. The Count's continued success in the series of duels increased his prestige.

BENAVIDES' ELECTION LEGAL.

Peruvian Supreme Court Upholds Choosing of Provisional President.

LIMA, Peru, May 19.—The Supreme Court officially recognized to-day the election of Col. Oscar Benavides as Provisional President of Peru. Col. Benavides was elected Friday and was sworn in the same day.

Roberto E. Leguia, first vice-president under ex-President Billinghurst, who was proclaimed first vice-president again yesterday by 121 members of the Senate and deputies, is still in hiding in the Italian legation.

Col. Benavides led the attack on the palace which resulted in the expulsion of President Billinghurst. He then acted as head of the Junta of six who were chosen at an extraordinary session of Congress to govern the country pending the election by Congress of a provisional President. Senor Leguia was his opponent in the election for President.

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Essad Pasha.

COL. SEELY PILOTS FLIER.

Problem of Stabilizing Aeroplane Is Solved, He Believes.

Special Cable Dispatch to The Sun.

LONDON, May 20.—Col. J. E. B. Seely, the former Secretary of War, whose enthusiasm for aviation is equal to that of Winston Churchill, First Lord of the Admiralty, in a speech at a Wilbur Wright memorial banquet last night said that the problem of stabilizing the aeroplane has been solved and he believed this marks the greatest advance since the first aviator had made an ascent.

Col. Seely told of a test he made four days ago when he accompanied a pilot to a height of 2,000 feet. When the pilot abandoned control of the machine Col. Seely steered it. The machine turned to the right and left like a boat. It always took an appropriate "bank" which was suitable for the sharpness of the turn. Gusts of wind rocked the machine, but it always righted itself.

The Times prints details of an invention, an exhibition of which the King watched at Aldershot yesterday when one of his equerries acted as a passenger. The machine was completed fifteen months ago at the royal aircraft factory and has since been greatly improved.

The details of the machine are too technical and lengthy to be satisfactorily dealt with by cable but the main features seemed to be a spring controlled rudder and the utilization of the side wind created by a side ship.

POSTCARD BEAUTY DIVORCED.

D. W. Bell, Who Sued Actress Wife, Gets Decree in London.

Special Cable Dispatch to The Sun.

LONDON, May 19.—David Wellesley Bell, son of a wealthy English merchant, obtained a divorce decree nisi to-day from Enid Bell, the actress and picture postcard beauty, on the ground of her misconduct with Melville J. Gideon, American rag-time composer and pianist.

Mr. and Mrs. Bell were married in 1905, when the actress was playing one of the leading parts in "Havana" at the Gaiety Theatre. Before that she had taken the place of Miss Gertie Millar for some time in "The Girl of Gottenberg" at the same theatre. Mrs. Bell was then playing under the name of Enid Leonard, her real name being Lillian Enid Adleshaw Barrows.

Gideon, the correspondent in the case, was adjudged a bankrupt in the courts here on December 20 last. His liabilities were more than \$12,000, with no assets. He had lost \$50,000 in gambling since he arrived in England two years ago. A trustee for his estate was appointed. At that time Gideon was said to be playing in West End restaurants.

CALIF AMERICAN HOTELS BEST.

M. Hanotaux of French Committee Compliments Visitors to Paris.

Special Cable Dispatch to The Sun.

PARIS, May 19.—The Paris Hotel Keepers Association gave a reception in honor of the visiting American hotel men this afternoon. Myron T. Herrick, the American Ambassador, made a speech in which he advocated the construction of great automobile roads in the United States, with the view of attracting European visitors. He invited the American hotel men and their French conferees to attend a reception at the embassy next Saturday.

M. Gabriel Hanotaux, president of the French Hotel Keepers' committee, declared that from his personal experience he could say that American hotels are the best in the world.

Griffiths Memorial Service Friday.

LONDON, May 19.—The memorial services for the late John L. Griffiths, the American Consul-General in London, who died suddenly Sunday night, will be held at St. Paul's Church, Knightsbridge, on Friday.

NEW ALBANIAN KING FACES FIRST REVOLT

Essad Pasha Is Arrested After Heading Rebels' Attack on Palace.

CAPITAL IS THREATENED

Austrian and Italian Warships Land Marines to Protect Sovereign.

Special Cable Dispatch to The Sun.

VIENNA, May 19.—Prince William of Wied, the new ruler of Albania, did not have to wait long to see the fulfillment of the predictions made before his acceptance of the throne of that country on the invitation of the Powers that he would meet with trouble. An insurrection of the central and northern Albanian peasantry has suddenly broken out.

It is said to have been instigated by Essad Pasha, Minister of War, who has had an adventurous career in the country, of which he at one time proclaimed himself king, but who has been regarded as the power behind the throne of Prince William.

The insurrection is directed against the dynasty and the Government. Essad Pasha has been arrested and imprisoned, and the Mpret (the title of the new King) and his family are being protected by sailors from Austrian and Italian warships at Durazzo.

Essad Pasha Fires First Shot.

A despatch from Durazzo to the *Neue Freie Presse* says that Essad Pasha visited the King yesterday and resigned as Minister of War. Immediately afterward 5,300 supporters of Essad Pasha attacked the palace, Essad himself firing the first shot.

King William appealed to the commanders of the warships in the harbor and they landed detachments which attacked Essad Pasha's palace with machine guns. Essad Pasha sent a messenger to the commanders of the foreign detachments asking to be allowed to go on board an Italian warship. This request was refused and Essad Pasha was then arrested.

He is now a prisoner with his wife on the Austrian cruiser *Szigetvar* and will remain at the pleasure of the Mpret, but whether he has been arrested because he was guilty of a treasonable plot against the King, or, as is alternatively suggested, because he took means to protect himself from his Albanian enemies, cannot be said at present, though the bulk of the evidence goes to show that Essad has been guilty of treason.

Essad Pasha, who occupied a palace of his own, professed loyalty to the new King and declared recently that he saw a bright future for Albania. He had started plans for the creation of a regular army modeled after that of the United States, and wanted to lead it against the rebels in Epirus, but the King opposed this, fearing that such a force under Essad Pasha would be a greater menace to Albania than its enemies.

Rebels Threaten Capital.

Two thousand rebels concentrated yesterday at Shkall, seven miles from Durazzo, and are threatening the capital. The Captains of the Austrian and Italian warships in the harbor landed detachments of marines to insure the safety of the King and his family, but otherwise they have taken no hand in the trouble.

It is said that martial law has been or is about to be proclaimed at Durazzo. There was fighting between the Dutch gendarmes and Essad Pasha's bodyguard before the arrest of the Minister of War.

Among other incidents of the uprising was the murder of Essad Pasha's cousin, Abdi Bey, by inimical tribesmen. The Italian armored cruiser *Vettor Pisani* and three squadrons of torpedo boats have arrived at Durazzo on hurry orders from Rome.

The newspapers and politicians of Vienna treat the incident as a most critical affair, but Government and diplomatic circles profess to regard it calmly.

Rome, May 19.—The situation in Albania is regarded as so alarming that the Marquis di San Giuliano, the Minister of Foreign Affairs, left to-night for Durazzo.

MAJ. COSBY ARRESTED; FREED.

U. S. Military Attache Accused of Violating German Road Rules.

Special Cable Dispatch to The Sun.

MANNHEIM, Germany, May 19.—Major Spencer Cosby, military attache of the American Embassy in Paris, was arrested on a charge of disregarding the rules of the road while automobile touring through this city with Mrs. Cosby.

He was promptly freed on producing his papers, but was warned not to break the rules again.

Griffiths Memorial Service Friday.

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SHIP HITS ROCK, HOLDS FIRM.

Sambria Reaches Shanghai After Calling Vainly for Help.

Special Cable Dispatch to The Sun.